

111TH CONGRESS  
1ST SESSION

# H. R. 3665

To amend title XIX of the Social Security Act to provide for payment for Medicaid services furnished by Ryan White part C grantees under a cost-based prospective payment system.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2009

Ms. BALDWIN (for herself, Mrs. CAPPS, Ms. MATSUI, and Ms. MOORE of Wisconsin) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend title XIX of the Social Security Act to provide for payment for Medicaid services furnished by Ryan White part C grantees under a cost-based prospective payment system.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Ryan White Grantee  
5       Medicaid Payment Equity Act of 2009”.



1 **SEC. 2. MEDICAID PAYMENT FOR SERVICES FURNISHED BY**  
2 **RYAN WHITE PART C GRANTEEES ON A COST-**  
3 **BASED PROSPECTIVE PAYMENT SYSTEM.**

4 (a) IN GENERAL.—Section 1902 of the Social Secu-  
5 rity Act (42 U.S.C. 1396a) is amended—

6 (1) in subsection (a)(15), by inserting before  
7 the semicolon at the end the following: “and provide  
8 for payment for services described in section 1905(a)  
9 provided by a recipient of a grant under part C of  
10 title XXVI of the Public Health Service Act in ac-  
11 cordance with subsection (gg)”;

12 (2) by adding at the end the following new sub-  
13 section:

14 “(gg) PAYMENT FOR SERVICES PROVIDED BY RYAN  
15 WHITE PART C GRANTEEES.—

16 “(1) IN GENERAL.—Beginning with fiscal year  
17 2010 with respect to services furnished on or after  
18 January 1, 2010, and each succeeding fiscal year,  
19 the State plan shall provide for payment for services  
20 described in section 1905(a) (in this subsection re-  
21 ferred to as ‘Medicaid covered services’) furnished by  
22 a recipient of a grant under part C of title XXVI  
23 of the Public Health Service Act (in the subsection  
24 referred to as a ‘grantee’) in accordance with the  
25 provisions of this subsection.



1           “(2) FISCAL YEAR 2010.—Subject to paragraph  
2           (4), for services furnished on and after January 1,  
3           2010, during fiscal year 2010, the State plan shall  
4           provide for payment for such services in an amount  
5           (calculated on a per visit or similar basis as specified  
6           by the Secretary) that is equal to 100 percent of the  
7           average of the costs of the grantee of furnishing  
8           such services during fiscal years 2008 and 2009  
9           which are reasonable and related to the cost of fur-  
10          nishing such services, or based on such other tests  
11          of reasonableness as the Secretary prescribes in reg-  
12          ulations under section 1833(a)(3), or, in the case of  
13          services to which such regulations do not apply, the  
14          same methodology used under section 1833(a)(3),  
15          adjusted to take into account any increase or de-  
16          crease in the scope of such services furnished by the  
17          grantee during fiscal year 2010.

18           “(3) FISCAL YEAR 2011 AND SUCCEEDING FIS-  
19          CAL YEARS.—Subject to paragraph (4), for services  
20          furnished during fiscal year 2011 or a succeeding  
21          fiscal year, the State plan shall provide for payment  
22          for such services in an amount (calculated on a per  
23          visit or similar basis) that is equal to the amount  
24          calculated for such services under this subsection for  
25          the preceding fiscal year—



1           “(A) increased by the percentage increase  
2           in the MEI (as defined in section 1842(I)(3))  
3           applicable to primary care services (as defined  
4           in section 1842(I)(4)) for that fiscal year; and

5           “(B) adjusted to take into account any in-  
6           crease or decrease in the scope of such services  
7           furnished by the grantee during that fiscal year.

8           “(4) ESTABLISHMENT OF INITIAL YEAR PAY-  
9           MENT AMOUNT FOR NEW GRANTEES.—In any case  
10          in which an entity first becomes a grantee after fis-  
11          cal year 2009, the State plan shall provide for pay-  
12          ment for Medicaid covered services furnished by the  
13          entity in the first fiscal year in which the entity so  
14          qualifies in an amount (calculated on a per visit or  
15          similar basis) that is equal to 100 percent of the  
16          costs of furnishing such services during such fiscal  
17          year based on the rates established under this sub-  
18          section for the fiscal year for other such grantees lo-  
19          cated in the same or adjacent area with a similar  
20          case load or, in the absence of such a grantee, in ac-  
21          cordance with the regulations and methodology re-  
22          ferred to in paragraph (2) or based on such other  
23          tests of reasonableness as the Secretary may specify.  
24          For each fiscal year following the fiscal year in  
25          which the entity first qualifies, the State plan shall



1 provide for the payment amount to be calculated in  
2 accordance with paragraph (3).

3 “(5) ADMINISTRATION IN THE CASE OF MAN-  
4 AGED CARE.—

5 “(A) IN GENERAL.—In the case of services  
6 furnished by a grantee pursuant to a contract  
7 between the grantee and a managed care entity  
8 (as defined in section 1932(a)(1)(B)), the State  
9 plan shall provide for payment to the grantee  
10 by the State of a supplemental payment equal  
11 to the amount (if any) by which the amount de-  
12 termined under paragraphs (2), (3), and (4) ex-  
13 ceeds the amount of the payments provided  
14 under the contract.

15 “(B) PAYMENT SCHEDULE.—The supple-  
16 mental payment required under subparagraph  
17 (A) shall be made pursuant to a payment  
18 schedule agreed to by the State and the grant-  
19 ee, but in no case less frequently than every 4  
20 months.

21 “(6) ALTERNATIVE PAYMENT METHODOLO-  
22 GIES.—Notwithstanding any other provision of this  
23 section, the State plan may provide for payment in  
24 any fiscal year to a grantee for Medicaid covered



1 services in an amount which is determined under an  
2 alternative payment methodology that—

3 “(A) is agreed to by the State and the  
4 grantee; and

5 “(B) results in payment to the grantee of  
6 an amount which is at least equal to the  
7 amount otherwise required to be paid to the  
8 grantee under this subsection.”.

9 (b) EFFECTIVE DATE.—

10 (1) Except as provided in paragraph (2), the  
11 amendments made by subsection (a) shall apply to  
12 services furnished on or after January 1, 2010,  
13 without regard to whether or not final regulations to  
14 carry out such amendment have been promulgated  
15 by such date.

16 (2) In the case of a State plan for medical as-  
17 sistance under title XIX of the Social Security Act  
18 which the Secretary of Health and Human Services  
19 determines requires State legislation (other than leg-  
20 islation appropriating funds) in order for the plan to  
21 meet the additional requirement imposed by the  
22 amendments made by subsection (a), the State plan  
23 shall not be regarded as failing to comply with the  
24 requirements of such title solely on the basis of its  
25 failure to meet this additional requirement before



1       the first day of the first calendar quarter beginning  
2       after the close of the first regular session of the  
3       State legislature that begins after the date of the en-  
4       actment of this Act. For purposes of the previous  
5       sentence, in the case of a State that has a 2-year  
6       legislative session, each year of such session shall be  
7       deemed to be a separate regular session of the State  
8       legislature.

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